

Sales Tax - Vending Machines

What vending machine items are exempt from state sales tax?

Most food items purchased through a vending machine or coin operated machine are exempt. Sales and purchases of food as defined in Colorado Revised Statute 39-26-102 (4.5) exempts from state sales tax food for domestic home consumption **except for:** carbonated water marketed in containers; chewing gum; seeds and plants to grow foods; prepared salads (and salad bars); packaged and unpackaged cold sandwiches, deli trays; hot and cold beverages served in unsealed containers and cups that are vended by or through machines or non-coin operated coin-collecting food and snack devices on behalf of a vendor. The above listed items are not defined as "food" and therefore are taxable.

Canned soda or any other canned drinks sold through a vending machine are exempt, however, fountain style soda, coffee or any other drinks sold in cups are taxable.

Unless the sale is otherwise considered exempt vending machine items that are not considered foods such as prizes, toys, or other tangible personal property in excess of 15 cents are taxable items. [See C.R.S. 39-26-714].